



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

May 16, 2012

Dean Formanek  
Western Gypsite, LLC  
2555 East Camelback Road, Suite 800  
Phoenix, Arizona 85016

Subject: Reclamation Surety Required, Western Gypsite, LLC., Gypsite Pilot Mine, S/045/0084,  
Tooele County, Utah

Dear Mr. Formanek:

The referenced Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining on May 8, 2012, is complete **with the exception of the reclamation bonding requirement.** The required reclamation surety is \$36,700 for a three-year escalation until 2015 or \$37,500 for a five-year escalation until 2017. This was determined based on information in the following table.

<b>Small Mine Operation Bond Calculation Worksheet S/045/0084</b>			
<b>3-year escalation (2015)</b>			
<b>Item</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Total Cost</b>
1st Acre Disturbance	1	\$7,900.00	\$7,900.00
Add'l Acres Disturbance	6	\$4,800.00	\$28,800.00
Add'l equipment mob (over 5 acre)	0	\$3,000.00	\$0.00
<b>TOTAL</b>			<b>\$36,700.00</b>
<b>5-year escalation (2017)</b>			
<b>Item</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Total Cost</b>
1st Acre Disturbance	1	\$8,100.00	\$8,100.00
Add'l Acres Disturbance	6	\$4,900.00	\$29,400.00
Add'l equipment mob (over 5 acres)		\$3,000.00	\$0.00
<b>TOTAL</b>			<b>\$37,500.00</b>

**Please submit the reclamation surety and reclamation contract within the next 30 days.**  
No mining related disturbance may be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

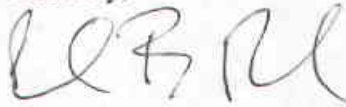
The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at 801-538-5291 or by e mail at [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov) for assistance in completing this requirement.

Dean Formanek  
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The reclamation contract form can be found on the Division's web site at [https://fs.ogm.utah.gov/pub/mines/minerals\\_related/forms/MR-RC-SMO.pdf](https://fs.ogm.utah.gov/pub/mines/minerals_related/forms/MR-RC-SMO.pdf).

Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have any questions regarding this letter. In reply please refer to file number S/045/0084.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', written in a cursive style.

Paul B. Baker  
Minerals Program Manager

PBB: lah: eb  
cc: SITLA - Jblake@utah.gov  
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